

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

**In the Matter of** )  
 )  
**Universal Service Contribution Methodology** )

**WC Docket No. 06-122**

**COMMENTS OF COMMON SENSE KIDS ACTION**

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## **I. Introduction**

Common Sense Kids Action, the policy arm of Common Sense Media, (collectively “Common Sense”) hereby comments on the Federal Communications Commission (“Commission” or “FCC”) Notice of Proposed Rulemaking (“NPRM”) issued in the above-captioned proceeding.<sup>1</sup> In this NPRM, the Commission seeks comments on establishing an annual overall cap to the Universal Service Fund (“USF”), and combining the budgets of the schools and libraries program, also known as E-Rate and the Rural Health Care (“RHC”) program. The Commission believes that adopting those proposals would help to “promote the efficiency, fairness, accountability, and sustainability of the USF programs.” Respectfully, Common Sense disagrees.

For the reasons discussed below, Common Sense strongly opposes the suggested changes to the USF. If those proposals were adopted, they would harm children and families, and would significantly hinder efforts to close the digital gap in America. Establishing a cap would create unnecessary burdens and deviates from the universal service principles established under the Telecommunications Act of 1996. Moreover, combining the budgets of E-Rate and RHC is an injustice to the populations that both programs currently serve and could potentially serve in the future. If the Commission seeks to promote efficiency, fairness, accountability, and sustainability, we believe the Commission should instead focus on implementing the modernization initiatives adopted over the last five years, since these initiatives aim to curtail any waste or fraud associated with the USF programs.<sup>2</sup>

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<sup>1</sup> *Universal Service Contribution Methodology*, Notice of Proposed Rulemaking, WC Docket No. 06-122, FCC 19-46 (rel. May 31, 2019) (“NPRM”).

<sup>2</sup> See *Lifeline and Link Up Reform and Modernization*, Third Report and Order, Further Report and Order, and Order on Reconsideration, WC Docket No. 11-42, FCC 16-38 (rel. Apr. 27,

## II. Background

Common Sense is the nation's leading independent nonprofit organization dedicated to helping kids and families thrive in a world of media and technology. We empower parents, teachers, and policymakers by providing unbiased information, trusted advice, and innovative tools to help them harness the power of media and technology as a positive force in all kids' lives. Common Sense Kids Action is building a movement of parents, teachers, business leaders, and advocates dedicated to making kids our nation's top priority by supporting policies at the state and federal level that contribute to the building blocks of opportunity for kids in the digital space. Common Sense has an uncommon reach among parents and teachers, with over 100 million users and half a million educators across its network.

Common Sense has long been committed to advocating for broadband connectivity for all children and families, in schools and in homes, regardless of their socioeconomic status and geographic location. In fact, Common Sense submitted comments in previous USF proceedings at the Commission that discussed the importance of high-speed internet connectivity for all children's success.<sup>3</sup> Through its many initiatives in support of children and families, Common Sense has recognized the benefit of USF programs, particularly Lifeline and E-Rate, in bridging the digital divide. The Lifeline program offers affordable broadband

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2016); *Modernizing the E-rate Program for Schools and Libraries*, Second Report and Order and Order on Reconsideration, WC Docket No. 13-184, (rel. Dec. 19, 2014) ("E-Rate Modernization Order II"); *Modernizing the E-rate Program for Schools and Libraries*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 13-184, FCC 14-99 (rel. July 23, 2014) ("E-Rate Modernization Order I").

<sup>3</sup> See Comments of Common Sense, WC Docket Nos. 17-287, 11-42, 09-197, available at <https://ecfsapi.fcc.gov/file/102213002307823/FCCLifelineFiling2.21.18.pdf> (Feb. 21, 2018); Comments of Common Sense, WC Docket No. 7-108, available at <https://ecfsapi.fcc.gov/file/107171532401540/Common%20Sense%20Kids%20Action%20Lifeline%20Comments%20.pdf> (July 17, 2017); Comments of Common Sense, WC Docket Nos. 11-42, 10-90, 09-197, available at <https://ecfsapi.fcc.gov/file/60001223211.pdf> (Aug. 31, 2015).

access to low-income families including children, while the E-Rate program helps schools and libraries obtain affordable broadband. These are critical programs and Common Sense urges the Commission not to impose any of the proposals under this NPRM.

**III. An Annual Combined Cap on USF is Dangerous Because it Would Exacerbate the Digital Divide Among the Most Vulnerable Populations, Including Children.**

With regards to an annual combined cap of the USF programs, the Commission asks whether it should set the cap at \$11.42 billion, the sum of the authorized budgets for the four universal programs in 2018, or if it should set the cap at a different amount.<sup>4</sup> Additionally, the Commission seeks comments on how to adjust the cap overtime to account for inflation.<sup>5</sup> Like the majority of comments submitted so far in this proceeding, Common Sense opposes any form of annual combined cap on the USF. As previously mentioned, such a cap would be detrimental to USF programs, such as the Lifeline and E-Rate program, which are helpful in closing the digital gap among children and families.

**Lifeline Program**

Since the Commission decided to include broadband as a support service in the Lifeline program in 2016, it has helped more than 9 million households in need of broadband connectivity.<sup>6</sup> Research shows that many low-income families still do not have access to broadband. More than four-in-ten (44%) low-income households with incomes below \$30,0000 do not have broadband services at home.<sup>7</sup> Through our own research, we understand that approximately a third of teachers say that it would limit their students' learning "a great deal "or

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<sup>4</sup> See NPRM ¶ 9.

<sup>5</sup> *Id.*

<sup>6</sup> See *Universal Service Administrative Company - 2018 Annual Report* (2018), [https://www.usac.org/\\_res/documents/about/pdf/annual-reports/usac-annual-report-2018.pdf](https://www.usac.org/_res/documents/about/pdf/annual-reports/usac-annual-report-2018.pdf).

<sup>7</sup> See Monica Anderson & Madhumitha Kumar, *Digital divide persists even as lower-income Americans make gains in tech adoption* (May 7, 2019), <https://www.pewresearch.org/fact-tank/2019/05/07/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>.

"quite a bit" if their students didn't have home access to a computer or the internet."<sup>8</sup> These statistics are the very reason the Commission has discussed the importance of the Lifeline program as it mentioned its "important role in bringing digital opportunity to low-income Americans", and help in closing the homework gap.<sup>9</sup> Yet, the Commission justifies an annual combined cap by stating that the demand for the Lifeline program has decreased in recent years.<sup>10</sup> This decrease does not justify or disregard the program's importance to the millions of families that benefit from access to affordable broadband. Moreover, it is unclear whether the demand would not significantly increase at any given point. Placing an overall combined cap without having the flexibility to evaluate the demand for the Lifeline program for each year would severely restrict the ability to provide affordable broadband to the children and families in need. It will also make the program less efficient to respond in times of needs, such as for natural disasters and recessions. An overall combined cap jeopardizes the Lifeline program and contradicts the support received from the Commission to utilize this program to bridge the digital divide.

### **E-Rate program**

The E-Rate program has increased internet connectivity for schools and libraries. In 2014, the Commission adopted two Modernization Orders that prioritized access to affordable high-speed broadband access by significantly increasing the program budget.<sup>11</sup> Over the past five

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<sup>8</sup> See Vanessa Vega & Michael B. Robb, *The Common Sense Census: Inside The 21<sup>st</sup> Century Classroom* (2019), <https://www.common sense media.org/sites/default/files/uploads/research/2019-educator-census-inside-the-21st-century-classroom-key-findings.pdf>.

<sup>9</sup> See *Bridging the Digital Divide for Low-Income Americans*, Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, WC Docket No. 17-287, FCC 17-155, ¶ 62 (rel. Dec. 1, 2017).

<sup>10</sup> See NPRM ¶ 8.

<sup>11</sup> See *E-Rate Modernization Order I* ¶ 5.

years, more than 35 million students have gained access to high-speed broadband in schools.<sup>12</sup>

This is a significant increase since 2013 where it was reported that only 4 million students had access to high-speed broadband.<sup>13</sup> Given the demonstrated success in addressing the digital divide thus far, it is ill-conceived to further restrict a program that already has a cap. It is also clear from the record that several state school boards associations find the E-Rate program to be essential for those students who do not have high-speed broadband in their homes.<sup>14</sup> An overall combined cap would only destroy the chances this program has to make sure that all schools and libraries have high-speed broadband for our children.

An annual cap, which could limit funds to any of these programs and cut off schools and families, would be detrimental.

#### **IV. E-rate and Rural Health Care are Distinct Programs that Should Continue to Receive Separate Budgets.**

Common Sense also opposes a combined budget of the E-Rate and RHC programs. The Commission suggests that combining these programs' budgets "may be justifiable given that both programs promote the use of advanced services to anchor institutions that have similar needs for high-quality broadband services."<sup>15</sup> The Commission fails to acknowledge that these

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<sup>12</sup> See Jonathan Sallet, *Improving the Administration of E-Rate: Ensuring All School children Get the High-Speed Broadband Connections They Need* (Apr. 8, 2019),

<https://www.benton.org/publications/improving-erate-administration>.

<sup>13</sup> See Lauren Camera, *Federal E-Rate Program Dramatically Expands High-Speed Internet Access for Schools* (Sept. 19, 2017), <https://www.usnews.com/news/education-news/articles/2017-09-19/federal-e-rate-program-dramatically-expands-high-speed-internet-access-for-schools>.

<sup>14</sup> See Comments of New York State School Boards Association, WC-Docket 06-122, available at <https://ecfsapi.fcc.gov/file/10718264534863/E-Rate%20Letter%20to%20FCC%20FINAL.pdf> (July 18, 2019); Comments of Minnesota School Boards Association, WC-Docket 06-122, available at <https://ecfsapi.fcc.gov/file/107150100429731/KirkFCC.pdf>, July 15, 2019); Comments of Education and Library Networks Coalition, WC-Docket 06-122, available at <https://ecfsapi.fcc.gov/file/1062153140161/EdLiNC%20ltr%20opposing%20USF%20Cap%2C%20E-rate%20RHC%20subcap%206.21.19.pdf> (June 21, 2019).

<sup>15</sup> See NPRM ¶ 23.

programs fulfill different purposes and serve different audiences. E-Rate continues to benefit schools and libraries. RHC focuses on providing broadband services to healthcare providers. Combining these two programs would create unwarranted administrative burdens to determine which participants - between schools, libraries, and healthcare providers, should receive the funding. As several commenters in this proceeding have cautioned the Commission, this proposal would pit programs against each other and jeopardize the efficiency of programs to fulfill its objectives.

**V. The Commission Should Focus on Implementing Modernization Efforts and Evaluating their Effectiveness Before Imposing Additional Changes to the USF.**

The Commission also seeks comments on any changes to the universal program rules that would “achieve a more holistic and coherent approach to universal service support.”<sup>16</sup> Common Sense believes that tying all USF support into one fund goes against the core principles of universal service since each program has its separate objectives, and therefore should be considered separately. Further, there are numerous steps the Commission can take to improve accountability and streamline efficiency that have already been identified in past proceedings. The Commission should focus on implementing the modernization efforts that it has adopted. The Lifeline program was recently overhauled. Innovations, such as the National Verifier Program, improve the Lifeline program’s effectiveness and reliability in a 21st century world. The National Verifier Program is still in the beginning stages and has not yet launched in all 50 states and territories since its launch in October 2018. In the 2014 Modernization Order, the Commission adopted the goals to maximize the “the cost-effectiveness of spending for E-Rate

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<sup>16</sup> See NPRM ¶ 21.



supported purchases,” and make “the E-Rate application process and other E-Rate processes fast, simple and efficient.”<sup>17</sup>

The Commission should take steps to implement work begun, not create new work.

## **VI. Conclusion**

For the reasons mentioned above, Common Sense respectfully urges the Commission not to adopt an overall cap on the USF or combine the budgets of the E-Rate and RHC programs. Such measures would hurt rather than benefit any measures considered to close the digital divide, a concern that the Commission has indicated is priority.

Respectfully submitted,

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<sup>17</sup> See *E-Rate Modernization Order I* ¶ 6.